

**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA**

**July 19, 2004**

**IN RE:   DOCKET NO. 2004-178-E – Application of   ) INFORMATION  
          South Carolina Electric & Gas Company for   ) DATA REQUEST  
          Adjustments in the Company’s Electric Rate   ) NUMBER 1  
          Schedules and Tariffs.                            )**

On July 1, 2004, South Carolina Electric & Gas Company (hereinafter the “Applicant”) filed an application with the South Carolina Public Service Commission for an increase in its rates and charges. This application was filed pursuant to S. C. Code Ann. Sections 58-27-820, and 58-27-870 (1976), as amended and 26 S. C. Code Ann. Reg. 103-834, as amended of the Public Service Commission of South Carolina’s Rules of Practice and Procedure.

In order to expedite the gathering of data necessary for the Commission Staff to make a full investigation of all aspects of this Utility’s operations:

**IT IS THEREFORE REQUESTED:**

**I.**     That all information requested below, unless otherwise specified, shall be limited to Applicant’s Electric South Carolina Retail Operations for the twelve months selected as the “test period”.

**II.**    That all information shall be provided to Manager of the Utilities Department in the format requested.

**III.**   That the requested information be bound in ring binders (loose-leaf notebooks).

**IV.**    That if information requested is found in other places or other exhibits, reference shall not be made to those; instead, reproduce and place in the Data Request in the appropriate numerical sequence.

**V.**     That any inquiries or communications relating to questions concerning clarification of the data requested below should be directed to the Manager, Utilities Department; Manager, Audit Department; and General Counsel, Legal Department, of the South Carolina Public Service Commission.

**VI.** That this entire list of questions be reproduced and included in front of each set of responses.

**VII.** That each question be reproduced and placed in front of the response provided.

**VIII.** That the Applicant provide the South Carolina Public Service Commission **by August 2, 2004**, twenty-five (25) copies of the following:

### **QUESTION NO. 1**

Capital structure for SCANA and SCE&G as of the end of each calendar year for the past five years and at the end of the test period, and the latest available date.

- a) Class of capital (Common, Preferred, Long Term Debt, etc.)
- b) Amount (in dollars) of each class
- c) Ratio of each class of capital to the total capitalization.

### **QUESTION NO. 2**

Provide the projected end-of-year capital structure for SCANA and SCE&G for the next four calendar years.

### **QUESTION NO. 3A**

Provide a listing of all outstanding issues of short-term debt, as of the latest available date for SCANA and for SCE&G.

- a) Payee
- b) Type of Obligation
- c) Issue Date
- d) Maturity Date
- e) Interest rate
- f) Amount outstanding in each issue.

### **QUESTION NO. 3B**

Provide a listing of all outstanding issues of long- term debt as of the latest available date for SCANA and SCE&G.

- a) Type of Obligation
- b) Interest rate
- c) Issue date
- d) Maturity date
- e) Amount of issue

- f) Net proceeds
- g) Effective interest rate
- h) Amount outstanding in each issue
- i) The bond rating at the time of issue.

### **QUESTION NO. 3C**

Please provide:

- a) The latest market price of the ten (10) latest issues of long - term debt by SCANA or SCE&G
- b) The current bond rating from Moody's and Standard and Poor's
- c) The current yield on the latest bond issue
- d) Identify any debt issuances necessitated by non-regulated operations.

### **QUESTION NO. 4**

Provide embedded cost calculation for long-term debt for SCANA and SCE&G at the end of the test period, at the end of each calendar year for the past three years, and at the latest available date.

### **QUESTION NO. 5**

Provide a projection of planned (anticipated or forecasted) issues of long-term and short-term debt for SCANA and SCE&G during the next four calendar year periods by approximate amounts, and probable dates of issues. Identify any issuances necessitated by non-regulated operations.

### **QUESTION NO. 6**

Provide a listing of all outstanding issues of Preferred and Preference Stock for SCANA and SCE&G, as of end of test period and of the latest available date.

- a) Year sold
- b) Amount sold
- c) Amount outstanding for each issue
- d) Dividend rate
- e) Identify any issuances necessitated by non-regulated operations.

### **QUESTION NO. 7**

Provide embedded cost calculations for Preferred and Preference Stock for SCANA and SCE&G at the end of each calendar year for the past three years and at the end of the test period, and the latest available date.

### **QUESTION NO. 8**

Provide a listing of all planned or anticipated issues of Common, Preferred, and Preference Stock by SCANA and SCE&G for the next four calendar years, by approximate date and amount of issue (in dollars and/or number of shares).

### **QUESTION NO. 9**

Provide a listing of all common stock issues by SCANA and SCE&G since the last rate case to the latest available date showing the following:

- a) Date of issue
- b) Number of shares
- c) Par value of shares
- d) Price per share at time of issue
- e) Book value per share at time of issue
- f) Gross proceeds
- g) Net proceeds
- h) The current Standard and Poor's common stock rating
- i) Identify any issuances necessitated by non-regulated operations.

### **QUESTION NO. 10**

Provide a listing for SCANA for each calendar year for the past five years to the current year and for the test period for the following:

- a) Book value per share
- b) Earnings per share
- c) Dividends per share
- d) Dividend payout ratio
- e) Return on equity (both average and year end)
- f) Return on total assets
- g) Net income
- h) Total assets
- i) Dollar amount of dividends paid.

### **QUESTION NO. 11**

Provide information concerning the projected or anticipated average dividend payout for SCANA and SCE&G for the next four years.

### **QUESTION NO. 12**

Provide a listing of the following for each calendar year for the past five years and the test period for the electric operations of SCE&G:

- a) Operating revenues
- b) Operating revenues by customer class (i.e. residential, commercial, industrial)
- c) Total plant-in-service
- d) Net plant-in-service
- e) Annual construction expenditures
- f) Operating expenses
- g) Maintenance expenses.

### **QUESTION NO.13**

Provide the proposed construction budget for the electric operations of SCE&G for the next fifteen years.

- a) Dollar amount by year
- b) Total generating capacity by year.

### **QUESTION NO. 14**

Identify:

- a) Any key factors that have impacted the SCANA and SCE&G cost of equity capital during the past two years.
- b) The trend in these factors during the past two years.
- c) The trend in the cost of equity since the Company's last rate case request before this Commission.

### **QUESTION NO. 15**

- a) What are the key factors expected to impact the cost of equity capital for SCANA and SCE&G during the next two to four years?
- b) What trend does the Company expect in each of the key factors for the next two to four years?

### **QUESTION NO. 16**

Do SCANA and SCE&G have any announced plans to participate in any diversification activities within the next four-year period? Explain in detail a "Yes" response.

### **QUESTION NO. 17**

Explain how the electric operations of SCE&G are financed. (What sources provide funds to SCE&G)

### **QUESTION NO. 18**

Explain how the non-regulated operations of SCANA and SCE&G are financed.

**QUESTION NO. 19**

Explain how the joint ventures of SCANA and SCE&G or its subsidiaries are financed.

**QUESTION NO. 20**

Explain the mechanisms by which SCANA and SCE&G guard against any negative impacts to the ratepayer, such as cross subsidization, from its operations and financing of non-regulated activities.

**QUESTION NO. 21**

Provide the latest Company Prospectus, Proxy statement, 10-K, and annual report.

**QUESTION NO. 22**

Provide a copy of any financial reviews pertaining to SCANA or any of its subsidiaries conducted during the past three month. (i.e. Merrill Lynch, Dean Witter, Duff & Phelps).

**QUESTION NO. 23**

Provide an organizational chart for SCANA and SCE&G identifying and briefly describing each operating entity. Classify each operating entity as regulated or non-regulated.

**QUESTION NO. 24**

Provide the following data for SCE&G on an annual basis for the past five years.

- a) The ratio of AFUDC as a percent of income before interest charges (total company).
- b) The actual dollar amount of AFUDC (total company).
- c) The dollar amount of electric operation expenses for total power production, transmission, distribution and administration.
- d) The dollar amount of electric maintenance expenses for total power production, transmission, distribution and administration.
- e) The dollar amount of total electric plant in operation.
- f) The dollar amount of capital obtained from sources outside the United States (total company).

**QUESTION NO. 25**

A list of electric generation units completed or under construction as of the end of the test year. This list should include the capacity, initial cost estimated at commencement of construction, actual or estimated total cost at present, type of fuel to be utilized and in service or estimated completion date for each unit.

**QUESTION NO. 26**

Provide the number of complaints received and processed from the Company's South Carolina retail class for the test period with complaints shown separately for billing, service, rate, and other. Also provide this data for the two previous calendar years.

**QUESTION NO. 27**

Provide a tabulation, using approved and proposed rates, showing rates of return by classes of service for total Company Electric Operations, South Carolina Retail Electric Operations, and Wholesale Electric Operations based on the Commission's latest approved cost of service methodology for the test year.

**QUESTION NO. 28**

Provide data and back-up calculations to determine average fuel costs per KWH sold for the test year.

**QUESTION NO. 29**

Provide the present revenue from each rate schedule and the additional revenue to be derived from the proposed rates for the test year using the average fuel above.

**QUESTION NO. 30**

Provide one copy of the bill frequency and hours use analyses by months and totals by rate schedules for the test year.

**QUESTION NO. 31**

Provide the billing determinants for each rate schedule for the test year (i.e.: Res KWH $\leq$ 800; KWH $>$ 800; # of bills).

**QUESTION NO. 32**

Furnish a schedule showing separately, the customer, demand and energy components of rate base and expense, including the totals for each, as well as Net Operating Income for Return, by classes of service, based on pro forma Retail Operations Cost Study reflecting approved rate Schedules for the test year. (Cost Study should be based on the Commission's latest approved Cost of Service Methodology.)

### **QUESTION NO. 33**

Provide five copies of the following information concerning the Cost of Service Study for electric operations using the Four Hour Summer Coincident Peak and the Company's proposed Cost of Service Methodology, if different than the one previously mentioned. Each of the remaining 20 copies should contain the summary pages from each of these studies.

- a) A Per Book Jurisdictional Cost Study reflecting test year operations and including a fully distributed cost analysis for the South Carolina Retail jurisdiction.
- b) A fully distributed Pro Forma Cost of Service Study with the present rates annualized for the South Carolina Retail jurisdiction's test year operations.
- c) A fully distributed Pro Forma Cost of Service Study with the proposed rates annualized for the South Carolina Retail jurisdiction's test year operations.

### **QUESTION NO. 34**

Provide the following information concerning the number of customers in different billing classes for the test year.

- a) Beginning and Ending Test year number of customers for all active rate schedules, as well as the latest available date.
- b) Energy sales per month and yearly total by schedule of customers.
- c) Demand of each class of customers by month.
- d) Average price per KWH for each class.

### **QUESTION NO. 35**

Provide a bill comparison for Residential, Small General, Medium General and Large General rates. This comparison should conform to the outline in Attachments E and F.

### **QUESTION NO. 36**

Provide a list of changes and reasons for changes on any and all rates, tariffs, and terms and conditions in this filing other than the percentage increase.

### **QUESTION NO. 37**

List the witnesses proposed to be used and briefly describe the subject matter of their proposed testimony (e.g., general, cost of capital, rate design, etc.).

### **QUESTION NO. 38**

Submit the following information to include the original purchase price cost as of the test year.

- a) Total amount of land owned by the Company included in its electric plant-in-service accounts.



- b) Complete breakdown of land maintained on Company's books as plant held for future use by Part or Parcel, date purchased, intended purpose, location, and date that it is expected to be placed in service.

#### **QUESTION NO. 39**

Provide:

- a) In comparative form for each account (Include sub-accounts) in the Annual Report (FERC Form No. 1, pages 320-323), the total Company electric operating expense account balance for the last five (5) Calendar years and the test year.
- b) In comparative form, the percentage increase over prior year for each account in (a) above.

#### **QUESTION NO. 40**

Provide:

- a) In comparative form for each account (include sub-accounts) in the Annual Report (FERC Form No. 1, pages 320-323), the total Company electric operating expense account balance for the last three (3) test periods utilized in general rate case proceedings.
- b) In comparative form, the percentage increase over the prior year for each account in (a) above.

#### **QUESTION NO. 41**

Provide a copy of the State and Federal Income Tax Return for the most recent tax year available.

#### **QUESTION NO. 42**

Provide a statement describing Applicant's lobbying activities and a schedule showing the name of the individual, salary, and all Company-paid or reimbursed expenses, or allowances, and the account charged for all Applicant's personnel or agents who have as a part of their function contacting legislators and other government agents, whether it be on the local, state or national level.

#### **QUESTION NO. 43**

Complete Attachment A for Cash Working Capital Allowance (Include on line 28 of Attachment B).

#### **QUESTION NO. 44**

Give beginning balances, additions and retirements, and ending balances to Plant in Service for the test period (total Company).

#### **QUESTION NO. 45**

Give:

- a) Ending balances on Customer Deposits and interest paid during the test year. (Include on lines 26 and 14, respectively, of Attachment B).
- b) Complete Attachment B.

#### **QUESTION NO. 46**

Provide quantities of fuel (gallons of oil, tons of coal, etc.), cost per unit, and number of days supply on hand for each month during the test period.

#### **QUESTION NO. 47**

Provide a computation of the coal inventory requirement using a maximum drawdown methodology.

#### **QUESTION NO. 48**

Provide a summary of legal fees for the test period by the FERC Account number to which the fees were charged.

#### **QUESTION NO. 49**

Provide an analysis of the following accounts for the test period:

- a) Account 930.2 – Miscellaneous General Expenses
- b) Account 913 – Advertising Expenses
- c) Account 930.1 – General Advertising Expenses
- d) Account 426 – Miscellaneous Income Deduction
- e) Account 426.1 - Donations

#### **QUESTION NO. 50**

Provide an analysis of employee salary expense:

- a) A comparative analysis of annual salary of each officer of the Company for the last five (5) calendar years and test year, including the Officer's name, title, salary and percent (%) increase of raise given and annual bonuses received by these officers during this same time period.
- b) Increases granted officers during the test period who were officers at the beginning of the test period through the end of the test period.
- c) Comparative analysis of electric employee salary expenses for each calendar year for the past five (5) years and for the test year.
- d) Number of employees at the end of each calendar year for the past five (5) years.

### **QUESTION NO. 51**

Provide an analysis of the proposed revenue increase indicating the amount attributable to the following categories:

- a) CWIP
- b) Return on Common Equity
- c) Inflation (Specify Rate)
- d) Changes in Capital Structure
- e) Other (Specify)

### **QUESTION NO. 52**

Provide an analysis of all Deferred Debit and Deferred Credit Accounts at the end of the test year. Include description, account number and dollar amount.

### **QUESTION NO. 53**

Provide a listing of uncollectibles by customer class for the latest five (5) years and test year.

### **QUESTION NO. 54**

Provide the following income tax data for Total Company, S.C. Retail, Total Electric Operations and FERC Wholesale Electric Operations for the test year.

- a) Federal Income Taxes:
  - a. Operating Federal Income Taxes Deferred accelerated tax
  - b. Depreciation.
  - c. Federal Income Taxes – Operating
  - d. Income Credits resulting from prior deferrals of Federal Income Taxes.
  - e. Investment Credit Net:
    - i. Investment credit realized
    - ii. Investment credit amortized-Pre-revenue Act of 1971
    - iii. Investment credit amortized-Revenue Act of 1971
- b) Reconciliation of book to taxable income and a calculation of the Federal Income Tax expense for the twelve months of the test year.
- c) Provide the Company's calculation of test year State Income Tax expense.

### **QUESTION NO. 55**

- a) Complete Attachment C, providing a schedule of Total Company net income per 1,000 KWH sold per company books for the last five (5) years and test year.
- b) A calculation of the return on common equity, present and proposed rates, for Total Company, South Carolina Retail and FERC Wholesale Electric Operations, for the test year.

- c) A calculation of the end-of-period debt, preferred stock, and common equity ratio, and end-of-period composite interest and preferred stock cost for the test year (Total Company). Supporting details underlying calculations should be furnished.
- d) The capitalization shown in the format of Attachment D.

#### **QUESTION NO. 56**

Allocation factors and basis for allocation (such as revenue, Plant-in-Service, etc.) for all components (Rate Base and Total Income for Return) and Pro Forma and Accounting Adjustments, where allocation is not directly assignable, using Cost of Service Study methodologies as requested above.

#### **QUESTION NO. 57**

With regard to initiation fees and dues for country clubs, to what account(s) have these expenses been charged? What action has been taken to assure the Commission that the expenses incurred at all clubs and restaurants that are charged to operating accounts are in fact strictly related to business?

#### **QUESTION NO. 58**

With regard to initiation fees and dues for private clubs charged to electric operations, respond as to total dollars charged, name of club, and account charged for Total Company – Electric and S.C. Retail during the test year.

#### **QUESTION NO. 59**

Provide an update of the Company's participation in the energy insurance pool, Nuclear Electric Insurance Limited (NEIL), as of the end of the test year.

#### **QUESTION NO. 60**

Please provide five (5) copies of the latest depreciation study.

#### **QUESTION NO. 61**

Please provide:

- a) Five (5) copies of the Company's latest Decommissioning study for the VC Summer Nuclear Station
- b) The calculation of the Company's Nuclear Decommissioning and depreciation expense based on the latest study and relicensing of the VC Summer Nuclear Station by the Nuclear Regulatory Commission.

**QUESTION NO. 62**

Provide in a separate binder an explanation and working papers for all Pro-forma and Accounting Adjustments, separating to the extent possible for Electric (Wholesale and Retail), South Carolina Retail Total System Operations using Cost of Service Study methodologies.

**QUESTION NO. 63**

Provide an analysis of Account 909, Information and Instructional Expenses.

**QUESTION NO. 64**

Provide five (5) copies of the latest FERC Form 1 and Annual Report to Stockholders. This should be filed separately from the Data Request Response.

**QUESTION NO. 65**

Please provide a copy of the most recent actuarial valuation report concerning FASB Statement no. 106.

**QUESTION NO. 66**

Please provide a detailed calculation of all expense and rate base items under FASB Statement no. 106 for the test year.

**QUESTION NO. 67**

Provide the account numbers and dollar amounts where FASB 106 expenses and rate base items are booked.

**QUESTION NO. 68**

Provide a description of the benefits included in the Company's OPEB expenses.

**QUESTION NO. 69**

Provide the Company's Accumulated Post Retirement Benefit Obligation (APBO) at the end of the most recent calendar year.

**QUESTION NO. 70**

Provide the method and amortization period, if any, used for amortizing:

- a) Any transition asset or obligation
- b) Unrecognized prior service cost
- c) Unrecognized gains or losses.

**QUESTION NO. 71**

Provide details of the Company's plans to fund or not to fund the OPEB liability.

**QUESTION NO. 72**

Provide the account number and dollar amount of any unfunded OPEB liability contained on the Company's books.

**QUESTION NO. 73**

Please identify and detail all industry association dues, specifically including EEI dues and breakdown of their uses within the association. Please quantify any benefit to the ratepayer from such associations.

**QUESTION NO. 74**

Please detail economic development expenditures, including accounts charged, and totaling in the entire amount of such expenditures charged to cost of service for the test year.

**QUESTION NO. 75**

Please provide a cost/benefit analysis of the economic development program and a description of how the program directly benefits the Company's ratepayers.

**QUESTION NO. 76**

Please detail litigation expenditures, excluding rate case expenditures, for the test year and the previous four calendar years.

**QUESTION NO. 77**

Please give detailed description of the employees' incentive benefit program and quantify the dollars paid out for such program for the test year. Please quantify any benefit to the ratepayer for such program.

**QUESTION NO. 78**

Please detail a thirteen-month (13) average for the balance in prepayments as used in the working capital computation. Please use the same thirteen (13) month period as used for average tax accruals.

**QUESTION NO. 79**

Provide a schedule showing advertising expense by year for the previous five years and for the test year, by type; e.g., informational, institutional, etc., and the percentage increase (decrease) of each from the preceding year. For the test period, indicate whether the expense was charged above the line or below the line.

**QUESTION NO. 80**

Provide detail of all legal fees charged to electric operations for the test period including:

- a) Person or Firm paid
- b) Account number

**QUESTION NO. 81**

Provide an analysis of all construction projects compromising Plant Under Construction at the end of the test year. Include the location, cost, brief description of construction, starting date, and expected completion date. Include project or estimate number.

**QUESTION NO. 82**

Provide the percentage of capitalized wages and expensed wages for the test year.

**QUESTION NO. 83**

Provide a listing by account number and test year dollar amount of Company expenditures for the following items to the extent that any of these expenditures have been charged to electric operations:

- a) Contributions to charitable, civic, educational, etc., organizations.
- b) Employee newsletter costs.
- c) Memberships in Social and Athletic Clubs (including but not limited to Chamber of Commerce, Rotary, Lions, etc.).
- d) Employee incentive awards.
- e) Other employee awards, gifts, clubs, etc.
- f) Sponsorship of sports teams and/or other events.
- g) Novelty or image building items such as combs, t-shirts, calendars, coffee mugs, etc.
- h) Benefits, which are recreational in nature (fitness, etc.)
- i) Flowers.
- j) Candy.
- k) Luncheons and banquets.
- l) Penalties and fines.

- m) Late payment charges.
- n) Employee clubs.
- o) Any item considered lavish and extravagant.

**QUESTION NO. 84**

Please provide the amount of unclaimed funds as of the end of the test year.

**QUESTION NO. 85**

Identify any State of Financial Accounting Standard (SFAS) that was implemented during the test year. For each SFAS identified please quantify the effect on test period revenues, expenses and rate base items.

**QUESTION NO. 86**

Provide a detailed schedule of accumulated deferred income taxes (ADIT) for the test year.

**QUESTION NO. 87**

Provide details, dollar amounts and accounts charged for any items that may have caused unusual expense or rate base levels during the test year.

**QUESTION NO. 88**

Provide a schedule of depreciation expense for the test year including depreciable plant categories and depreciation rates.

**QUESTION NO. 89**

Provide the dollar amount and account charged for any officer incentive compensation payments made for the test year.

**QUESTION NO. 90**

Provide a detailed explanation of how officer incentive compensation plan payments are arrived at.

**QUESTION NO. 91**

Provide the dollar amount and account charged for any other incentive compensation plan payments made during the test year.



**QUESTION NO. 92**

Provide a schedule of any and all transactions with affiliates during the test period. Please include the dollar amount and account number for each affiliate.

**QUESTION NO. 93**

Provide a calculation of the Company's retainage factor (Income to Revenue Multiplier).

**QUESTION NO. 94**

Provide a schedule of advanced billings and payments as of the end of the test year.

**QUESTION NO. 95**

Provide a schedule of pension expenses for the test year and for each of the five (5) previous years.

**QUESTION NO. 96**

Provide a copy of the latest available actuarial study supporting pension expense calculations.

**QUESTION NO. 97**

Provide a detailed calculation of the Company's Pension Expense for the test year.

**QUESTION NO. 98**

Provide a schedule of Uncollectible Revenue for the test year and for each of the five previous years.

**QUESTION NO. 99**

Provide a schedule of uncollectible percentages for the test year and for each of the five previous years.

**QUESTION NO. 100**

Provide a schedule of leases for the test year. Include description, account number, and dollar amount.

**QUESTION NO. 101**

Provide a schedule of any abandoned projects for the test year and indicate how they are accounted for.

**QUESTION NO. 102**

Provide a schedule of injuries and damages for each of the five previous years as of the end of the test year and indicate how injuries and damages were accounted for.

**QUESTION NO. 103**

Provide a schedule of Other Taxes (Taxes other than income taxes) for the test year.

**QUESTION NO. 104**

Provide details on any test year expenses and/or rate base items associated with Company owned aircraft, if any.

**QUESTION NO. 105**

Provide details on any test year expenses and/or rate base items associated with recreational vehicles, if any.

**QUESTION NO. 106**

Provide a schedule of monthly balances in the Materials and Supplies Account for the test year.

**QUESTION NO. 107**

Provide a schedule of materials and supplies as of the end of the test year.

**QUESTION NO. 108**

Provide a listing of all charges to accounting 923, Outside Services Employed. Show payee, amount and account charged.

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Wayne Burdett, Manager  
Utilities Department

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